

Disability Income Plus

Agent Sales Guide

Policy Form Series 8014



HUMANA[®]
Specialty Benefits

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For specific questions or additional information, contact your Humana sales executive. This guide is subject to change.

Contractual information supersedes information in this guide.

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▶ Disability Income Plus Agent Sales Guide

For information on state variations and the most recently approved forms, visit our Website, HumanaWorkplaceVoluntary.com.

Disability Income Plus provides coverage participants need when it counts the most

Disability Income Plus (DIP) can help pay the bills when illnesses or accidents disable employees away from the workplace. That enables them to concentrate on their recovery and return to their jobs. Benefits are paid in addition to any disability coverage they already may have.

DIP is underwritten by Kanawha Insurance Company, a member of the Humana family of companies. The current Disability Income Plus product (Policy Form 8000) will be replaced by the new Disability Income Plus product (Policy Form 8014) as it is approved in each state.

California, note: A modified version of Disability Income Plus (8000) was recently launched, so this manual will not apply. Refer to the underwriting manual for California, 4483 CA, that can be downloaded from HumanaWorkplaceVoluntary.com.

The key features of the new DIP (8014):

- ▶ Full underwriting options for all classes: Guarantee Issue, Contingent Guarantee Issue, and Simplified Issue underwriting options
- ▶ Minimum group size is five
- ▶ Optional 24-hour coverage
- ▶ An industry classification table with three classes: Preferred, Select, and Standard; please see the Workplace Voluntary Underwriting Manual, form number 4483, for details
- ▶ Rates are age banded and tobacco distinct
- ▶ Employer can select portability

Embedded benefits include Waiver of Premium, Recurrent Disability, and Partial Disability. The partial disability offers a 50 percent benefit if the employee earns 20 to 80 percent of his or her previous wages. This is a real incentive for the employee to return to work as soon as possible while still receiving some level of disability benefits.

Product overview

Elimination period: number of continuous days, beginning with the first day of a total disability, before any monthly benefit amount is payable

Benefit period: time monthly income benefits are payable after elimination period ends

Two plan designs

Accident & Sickness plan design

Provides coverage for disabilities caused by either an accidental injury or sickness.

Elimination periods: 0/7, 7/7, 0/14, 14/14, 30/30, 60/60, 90/90, 180/180, and 365/365 days

Benefit periods: three months, six months, one year, two years, three years

Accident & Sickness with Waiver of Elimination Period

Provides coverage for disabilities caused by either an accidental injury or sickness, but waives the balance of the elimination period if the participant is confined to a hospital. The Waiver of Elimination Period enables the participant to begin receiving benefits before the elimination ends.

Elimination periods: 0/7, 7/7, 0/14, and 14/14 days

Benefit periods: three months, six months, one year, two years, three years

Here's an example of what this waiver can mean:

John purchases a 0/14 (0-day accident and 14-day sickness elimination period) policy. John becomes disabled due to a sickness and on the fourth day of that sickness, he becomes hospitalized. Because John has the waiver coverage, he would begin receiving benefits from the first day of his hospital stay without waiting for the 14-day elimination period to end.

Plan guidelines

Product	Policy form	Enrollment form	Claim form	Rate structure	Tobacco rating	Issue ages	Minimum certificate amount
Disability Income Plus	8014	1661	5169	Unisex; age last	Tobacco distinct	18+	\$300

Pre-existing and waiting periods

- › Pre-existing conditions are covered after 12 months from the effective date of the certificate
- › No 30-day waiting clause for sickness
- › No waiting period for maternity coverage
- › Pre-existing maternity, whether revealed or not at time of enrollment, will not be covered until the conclusion of the pre-existing period

Definition of disability

Totally disabled (total disability)

means that for the first 24 months of a disability the employee is:

- Unable to perform the substantial and material duties of his or her regular occupation
- Not working in any other occupation, and
- Under the care of a doctor for the disability

After 24 months of total disability, totally disabled means that the participant is:

- Unable to perform the duties of any occupation, and
- Under the care of a doctor for the disability

Premiums

Rate guarantee: minimum one-year premium rate guarantee; Guarantee Issue and Contingent Guarantee Issue cases meeting established participation requirements have an initial two-year rate guarantee

Tobacco-distinct premiums: based on benefit plan selected and optional benefits

Entry age premium: rates do not change based on age

Annual policy fee: \$27 is included in the premium

General information

Issue ages: 18+, based on last birthday, as of effective date of coverage

Elimination periods (EP): 0/7, 7/7, 0/14, 14/14, 30/30, 60/60, 90/90, 180/180, 365/365

Benefit periods: three months, six months, one year, two years, three years

Note: not all elimination periods are available with all benefit periods. See chart below.

Benefit amount: minimum \$300 and maximum benefit of \$5,000 per month (higher amounts must have underwriting approval), not to exceed 70 percent of base monthly income for participant paid plans; up to 80 percent of base monthly income for employer-paid plans or for tax-qualified plans (Section 125 or HSA plans)

Industry Classification: Preferred, Select and Standard classifications

Rate cards: five age bands: 18-35, 36-45, 46-55, 56-65, and 66+

Effective date: the effective date selected by the group.

Underwriting: Guarantee Issue [GI], Contingent Guarantee Issue [CGI], and Simplified Issue [SI]; regardless of underwriting class, accept/reject underwriting is used to determine eligibility for coverage

Elimination Period (days)	Benefit Period (months)				
	3	6	12	24	36
0/7	✓	✓	✓	✓	✓
7/7	✓	✓	✓	✓	✓
0/14	✓	✓	✓	✓	✓
14/14	✓	✓	✓	✓	✓
30/30	N/A	✓	✓	✓	✓
60/60	N/A	N/A	✓	✓	✓
90/90	N/A	N/A	✓	✓	✓
180/180	N/A	N/A	✓	✓	✓
365/365	N/A	N/A	N/A	✓	✓

Benefit structure

Embedded benefits	Optional benefits selected by employer	Optional benefits selected by participant Benefits can only be elected at initial enrollment
Waiver of Premium	Mental, Illness and Substance Abuse	COBRA
Recurrent Disability	24-Hour, Takeover	Physical Therapy
Partial Disability	Loss of Work	Intensive Care Unit/Cardiac Care Unit
Work-Life Resources	Portability	

Embedded benefits

Example: Bob has a 14/14, one-year plan for \$2,000 per month of benefit. He is involved in an accident and has a ruptured spleen that has to be surgically removed. Five weeks later, his doctor releases him to return to work three days a week in the mornings for four hours. Bob will be working a total of 12 hours as compared to the 40 hours in a normal work week. His earnings will represent 30 percent of his normal earnings, and because this will be between the 20 percent – 80 percent guidelines, he will qualify for partial disability benefits. We will pay Bob 50 percent of his benefit, or \$1,000 per month, for up to six months.

Waiver of Premium

All premiums will be waived after the insured has been totally disabled (80 percent disability as determined by attending physician) for at least 90 days, or the Elimination Period, if longer. Any premiums remitted after qualifying for Waiver of Premium will be refunded to the insured back to the original date of disability.

Recurrent Disability

After the elimination period has been satisfied, the insured can return to work and is still eligible for disability benefits if he or she becomes disabled, due to the original qualifying impairment, within 180 days of no longer being disabled.

Total number of months eligible for benefits due to a single disabling event cannot exceed the maximum benefit period of the policy.

Partial Disability

Partial Disability modifies the definition of disability for disability benefits and 24-hour coverage if selected. The elimination period must be satisfied and the insured must be totally disabled before the start of partial disability.

Partial disability benefits will be paid for a maximum of six consecutive months.

The combined periods of partial and total disability cannot exceed the maximum benefit period for the certificate.

The sum of the partial disability benefit and any earnings received while on partial disability benefits cannot exceed 100 percent of the insured's pre-disability earnings.

Work-Life Resources

These services are included with every disability plan to give guidance to participants on life's challenges. The employee will receive a certificate and a brochure that outlines the Work-Life program and provides the Website. The employee can access many useful tools including articles and videos on family, health, and life as well as links to online will preparation.

Optional benefits selected by the employer

Mental, Illness and Substance Abuse Benefit

This benefit will remove the Mental Health exclusions (including emotional disorders and alcohol and drug abuse) from the plan and from any other benefits. The definition of mental health varies by state. Mental health does not refer to outpatient treatment in a doctor's office, such as psychiatrist visits. This benefit is only available with a 14/14 or 30/30 elimination period. The benefit pays 50 percent of the disability benefit for up to six months.

24-Hour Coverage and Integration of Benefits

Coverage for all disability income benefits and optional benefits is increased to 24-hour (on-and off-the-job) coverage. This benefit will coordinate with local, state, and federal benefits along with any other employer-sponsored disability plans.

Integration of Benefits cannot exceed 100 percent of the insured's income at the time of disability except for catastrophic disabilities. For example, if the participant has 24-hour coverage and his or her Workers' Compensation pays 80 percent of the salary, we will coordinate and pay the monthly benefit so the participant can receive a total of 100 percent of his or her pre-disability earnings, but not more.

If the insured has no income or less income than the base plan requires for qualification at the time of disability, there is no reduction in benefit payable.

Loss of Work

Loss of Work provides Waiver of Premium to participants due to authorized strike, lockout, layoff or job elimination, a great solution for union groups. There is a 30-day elimination period for benefit qualification and a maximum benefit period of six months per occurrence; lifetime benefit maximum of 12 months. This benefit is only available for sale through age 55 and can only be selected at the original time of enrollment.

Takeover Benefit

There are two ways to establish a takeover benefit in a new account: an increased premium rate for all participants, spread out over all participants, or reduced commissions. At time of quote, Risk Management will need the prior carrier's certificate or policy and billing showing coverage amount. The employer will be responsible for providing proof of prior coverage at the time of enrollment. For qualifying participants, the pre-existing condition will be reduced by a number of months equal to the number of months the replaced coverage was in force. If a claim is paid in the pre-existing period affected by takeover, the benefit paid will be the lesser of the benefit of the prior plan or the benefit payable under the policy.

Note: If the replaced policy provides a benefit that this certificate does not provide, no benefit will be paid.

Portability Benefit

Employees who leave an employer tend to port or continue their disability coverage more often than other lines of coverage. In addition, these employees tend to have more claims than others on the employer's plan. The employer needs to elect Portability for employees to have portability available to them when they leave their job.

It's important to explain to the employer that if Portability is selected, any claims experienced by these participants will be charged against their plan when the anniversary review is performed. If required due to the overall experience, any premium increase will be applied to the entire group, both active and ported certificates.

Before age 70, the participant can port coverage if he or she terminates employment.

Participants can continue coverage by paying premiums to Kanawha Insurance Company on a direct billing method if the following are met:

- › Certificate has been continuously covered by the policy for at least six months
- › Master policy issued to employer is still active
- › All ported certificates will terminate when employer cancels the master policy
- › All ported certificates will be subject to any rate increases on the employer's master policy
- › No conversion benefit available

➤ Optional benefits selected by the participant

The participant can elect the following benefits if the employer decides to make them available. These benefits are only available at the initial time of enrollment. The benefits can be canceled at the certificate's annual anniversary.

COBRA Benefit

The COBRA Benefit is an effective way for participant to be reimbursed for COBRA premiums if they are disabled and terminated. The benefit provides an additional benefit in the amount of \$200 - \$2,000 (as chosen by the insured) for COBRA reimbursement when the participant is disabled and receiving disability income benefits from in force coverage.

This benefit will not be available with the 90-day benefit period.

This benefit is not subject to coordination of benefits (COB) provisions if base plan is a 24-hour plan.

Physical Therapy Benefit

The Physical Therapy Benefit helps employees return to work while still receiving benefits for Physical Therapy. The plan pays a flat \$100 for each of up to five visits to a licensed physical therapist. The treatment must be:

- Due to a covered total disability
- The employee must have satisfied the elimination period for that total disability
- During the benefit period, but can continue 180 days after the end of the benefit period
- This benefit is not payable for treatments related to or covered under Workers' Compensation or any other occupational disease law
- This benefit is not available with the 24-hour coverage

Intensive Care/Cardiac Care Unit Benefit

If an employee is disabled, paying for intensive care can be a huge concern, so this benefit is a good solution to help offset these costs. If the employee is confined to a hospital intensive care or cardiac care unit as a result of an injury or sickness, we will pay a flat \$200 per day per unit for each confinement (up to four units) for a maximum of up to 30 days per calendar year.

The participant does not need to satisfy the elimination period to receive benefits.

> Risk Management

Takeover adjustments for rates or commissions will be adjusted accordingly, at time of quote, based on percentage of takeover population.

Example: An employer group of 100 eligible, currently has 20 employees on an existing plan and is requesting takeover. When enrollment is complete, we find only those 20 takeover policies enrolled. Risk Management will quote rates/commissions as 20 percent takeover rather than 100 percent takeover.

Complete guidelines for this and all workplace voluntary benefits product can be found in the Workplace Voluntary Benefits Underwriting Manual (Form 4483) that can be downloaded from our Website at HumanaWorkplaceVoluntary.com. The manual also contains guidelines for new cases, re-enrollment, restricted industries, and classes.

Transition to enhanced Disability Income Plus 8014

When the 8014 version is approved and launched in a particular state, the 8000 version will remain available for new accounts for 60 days. For existing accounts, the 8000 version will remain available to new benefit eligible until the group's next anniversary date. At time of renewal, each case will be evaluated based on overall performance. On completion of review, Risk Management will recommend renewal of the 8000 version or transitioning to the 8014 version.

Additional evidence of insurability

For evidence of insurability for amounts in excess of the \$5,000 monthly benefit, the participant will need to complete an additional form, 1661E. Risk Management also reserves the right to request blood work, urine analysis, and/or paramed exam for coverage over \$5,000.

Rate Guarantee

Minimum one-year premium rate guarantee. Guaranteed Issue and Contingent Guarantee Issue cases meeting established participation requirements have an initial two-year rate guarantee.

Three classes

This product is industry rated with Preferred, Select, and Standard classes.

Preferred: Industries that are considered most desirable. These industries are provided our best rate structure, and are considered “discounted” from other classes. These industries are afforded our best underwriting offers as well. Examples are banks, school districts, and most manufacturing.

Select: Industries that show a slight risk for disability. These industries are provided “standard” rates, with neither a load nor a discount. Examples include hospitals, nursing homes, and social services.

Standard: Industries that are considered high risk. These industries are provided higher rates to offset the risk associated with the occupations. Examples are hotels and lodging, construction, and restaurants.

Industry class	Minimum Elimination Period	Maximum Benefit Period	Maximum benefit
Preferred	0/7	3 years	\$5,000
Select	0/7	3 years	\$5,000
Standard	14/14	2 years	\$3,500

There are three levels of underwriting

Guarantee Issue (GI) underwriting allows for all “actively at work” employees to participate in coverage. GI underwriting requires a letter of intent signed by the agent of record and client before enrollment, a minimum participation level per product line, and coverage to be applied for within the agreed-on plan design limits.

Contingent Guarantee Issue (CGI) underwriting is a form of limited medical underwriting that requires a letter of intent signed by the agent of record and client before enrollment, a minimum participation level per product line, and coverage to be applied for within the agreed-on plan design limits.

Simplified Issue (SI) underwriting is an offer to medically evaluate the risk as applied for without requiring a physical or home office specimen.

Submit the following to Risk Management for prior approval:

- Groups requesting Guarantee Issue underwriting
- Takeover groups
- Groups with employees working in California, Hawaii, New Jersey, New York or Rhode Island

There are restricted industries for this product. The list can be found in the Workplace Voluntary Benefits Underwriting Manual (form number 4483) that can be downloaded from HumanaWorkplaceVoluntary.com.

➤ Pre-sale through sold case process

Please follow the normal guidelines for obtaining a quote based on the established parameters for small business, large group, and specialty markets.

POSS (Point of Sale System)

POSS is an internet-based, electronic rate-generating engine and sales material tool.

Licensed agents can access POSS at HumanaWorkplaceVoluntary.com and customize sales materials to the specific case. In addition, POSS is state specific, helping ensure that the agent always has compliant sales materials to present in an enrollment.

Because DIP requires Risk Management approval, you can run rates only on a Simplified Issue (SI) basis directly from POSS, provided it is not a restricted industry. When you have an approved case, underwriting will coordinate with the Lancaster, SC, Sales Support Unit to generate POSS slip sheets with case-specific rates.

The POSS software creates rates for participants and includes any optional benefits available in the state.

For assistance with POSS, contact your account manager or the Lancaster, SC, Sales Support Unit at 888-313-4534.

➤ Pre-sale through sold case process *continued...*

Humana can support a number of enrollment solution strategies to meet the expectations of the employer while offering a favorable and educational experience for the participants. The suite of enrollment solutions include:

- Agent directed Web-based case set up
- Integrated large case solutions with medical, dental, vision, group, and workplace benefits
- Face-to-face enrollers
- Call center support
- Web-based enrollments

• **Enrollment solutions**

• ClickEnroll offers a number of electronic enrollment solutions to automate the application process.

• For groups with more than 100 lives, ClickEnroll enables employees to enroll in Disability Income Plus and any other workplace products.

• For groups with less than 100 lives, ClickBuild enables you to use a link from the Website and submit an electronic case. You set up the case and Enrollment Solutions will review and approve the case within two business days.

• Our electronic signature and PIN module eliminate the need for paper applications. When the enrollment process is complete, all employee data and applications are electronically transmitted to expedite certificate issue.

• **Paper applications**

• Please order paper applications online (link from HumanaWorkplaceVoluntary.com) and your order will be delivered in a few days. Please use the printed applications that have a drop-out ink, enabling the system to read and process the application. When you download or copy applications, they will have to be keyed in manually, which may delay the process.

• **Sold case**

• When the case is sold, the group will go through the Account Installation Manager. The team will set up an intake call with the sales associate and customer to walk through the implementation process.

➤ Claims and administrative details

This version of Disability Income Plus uses claim form 5169 3/09, which can be downloaded from HumanaWorkplaceVoluntary.com.

Participants should notify Humana Specialty Benefits in writing as soon as they become disabled. Written notice must be given within 60 days after a covered loss starts or occurs or as soon as reasonably possible. The written notice should include the claimant's name and policy number as shown in the schedule.

Send notice to:

Humana Specialty Benefits
PO Box 2000
Lancaster, SC 29721-2000

If Humana Specialty Benefits fails to supply the participant with a claim form within 15 days, we will try to process the claim without it. The participant will be required to sign an authorization for release of medical information so that Humana Specialty Benefits can obtain the necessary information from the insured's physician to process the claim.

Sales Support

If you have any questions about DIP, please contact our Lancaster, SC, Sales Support Unit at 1-888-313-4534, Monday-Friday 8 a.m. - 5:30 p.m. Eastern time

Customer Service

Our toll-free Customer Service number is 1-877-378-1505.

COBRA Benefit

To claim COBRA benefits, the following must be submitted:

- › Proof the participant has terminated and applied for COBRA coverage
- › Proof of payment of COBRA premiums

Grace period

This certificate has a 31-day grace period. This begins on the day the premium is due, except for the first premium paid. The certificate is in force during the grace period. As long as the premium is paid within the grace period, this certificate will stay in force. If a claim is incurred during the grace period and the premium has not been paid at the time the claim is being paid, the premium can be deducted from the claim payment.

Reinstatement

There is no reinstatement provision for the policy.

Family Leave Medical Act (FLMA) and Active Military Duty

Coverage will continue during FLMA or Active Military Duty. If the participant incurs a claim and premium was not current, we will either deduct premium, if authorized, or request premium before the benefit could be paid (as long as the policy was still in force).

Canceling coverage

If the employer does not terminate the plan, we cannot cancel the master policy during the rate guarantee period. We can cancel coverage at the end of the rate guarantee period subject to state requirements. All ported certificates end if the master policy is terminated. After the rate guarantee period, we can terminate the master policy with 45 days notice (or other if required).

Coverage termination date

The earliest of the following:

- › At the end of the grace period for nonpayment of premium, or
- › Group terminates the group plan, or
- › On the date of death of the insured, or
- › Participant terminates employment and does not port coverage

Exceptions and limitations

No benefits are payable if a covered condition is caused by, results from, or occurs during any of the following: intentionally self-inflicted wound, attempted suicide while sane or insane (in Missouri while sane), active duty military service, participation in the commission or attempted commission of a felony, being intoxicated or under the influence of alcohol, drugs, or any narcotic (including overdose) unless administered on the advice of a physician according to the physician's instructions, mental and nervous conditions, psychosis, alcoholism or drug addiction.

Good selling!

Thank you for offering Humana's integrated employee benefit solutions to your valued clients. This sales guide provides a brief outline of the limitations of the product. You can download the state-specific specimen policy from HumanaWorkplaceVoluntary.com. Please review the policy before presenting to a group.

HUMANA[®]
Specialty Benefits

- Dental
- Vision
- Disability
- Life
- Workplace voluntary benefits

Disability Income Plus is Kanawha Insurance Company Policy Form Series 8014. The policy and any optional benefits contain limitations and exclusions which may vary by state. This document contains a general summary of benefits, exclusions and limitations. Please refer to the policy for the actual terms and conditions that apply.